

General Assembly

Committee Bill No. 1

February Session, 2012

CO No. **957*00957\$B00001CE_*

Referred to Committee on Commerce

Introduced by: (CE)

AN ACT CONCERNING CONNECTICUT JOBS AND THE ECONOMY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Subsection (a) of section 32-7g of the 2012 supplement to
- the general statutes is repealed and the following is substituted in lieu
- 3 thereof (*Effective July 1, 2012*):
- 4 (a) There is established within the Department of Economic and
- 5 Community Development the Small Business Express program. Said
- 6 program shall provide small businesses with various forms of financial
- 7 assistance, using a streamlined application process to expedite the
- 8 delivery of such assistance. A small business eligible for assistance
- 9 through said program shall, as of October 27, 2011, (1) employ, on at
- 10 least fifty per cent of its working days during the preceding twelve
- 11 months, not more than [fifty] one hundred employees, (2) be a
- 12 Connecticut-based business with operations in Connecticut, (3) have
- 13 been registered to conduct business in this state for not less than
- 14 twelve months, and (4) be in good standing with the payment of all
- 15 state and local taxes and with all state agencies.
- Sec. 2. Subdivision (2) of subsection (d) of section 32-7g of the 2012

- supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):
- (2) Loans from the revolving loan fund may be in amounts from ten thousand dollars to a maximum of one hundred thousand dollars, shall carry a maximum repayment rate of four per cent and shall be for a term of not more than [five] ten years. The department shall review and approve loan terms, conditions and collateral requirements in a manner that prioritizes job growth and retention.
- Sec. 3. Subsection (a) of section 31-3pp of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):
- 28 (a) For purposes of this section:

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

- 29 (1) "Department" means the Labor Department;
 - (2) "Eligible small business" means a business that (A) employed not more than [fifty] one hundred full-time employees on at least fifty per cent of its working days during the preceding twelve months, (B) is a Connecticut-based business with operations in Connecticut, (C) has been registered to conduct business in this state for not less than twelve months, and (D) is in good standing with the payment of all state and local taxes; [. "Eligible small business" does not include a retailer, as defined in section 42-371]
 - (3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for

- 47 constructive ownership of stock provided in Section 267(c) of the
- 48 Internal Revenue Code of 1986, or any subsequent corresponding
- 49 internal revenue code of the United States, as from time to time
- amended, other than paragraph (3) of said Section 267(c);
 - (4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the eligible small business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, or (D) a member of the same controlled group as the eligible small business;
- (5) "Eligible small manufacturer" means an eligible small business described in sectors 31 to 33, inclusive, of the North American Industry Classification System, that employed not more than [fifty] one hundred employees on at least fifty per cent of its working days during the preceding twelve months.
 - Sec. 4. Subsection (c) of section 31-3pp of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):
 - (c) (1) An eligible small business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee, where "new employee" means a person who (A) was unemployed immediately prior to employment, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) is a resident of a municipality that has (i) an unemployment rate that is equal to or higher than the state unemployment rate as of September 1, 2011, or (ii) a population of eighty thousand or more, and (C) has a family income equal to or less than two hundred fifty per cent of the federal poverty level, adjusted for family size. "New employee" does not include a person who was

- employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer, as defined in section 42-
- 82 <u>371</u>.

97

98

99

100

101

102

103

104

105

106

107

108

- 83 (2) Grants to eligible small businesses under the Subsidized 84 Training and Employment program shall be in the following amounts: 85 (A) For the first full calendar month a new employee is employed, one 86 hundred per cent of an amount representing the hourly wage of such 87 new employee, exclusive of any benefits, but in no event shall such 88 amount exceed twenty dollars per hour; (B) for the second and third 89 full calendar months, seventy-five per cent of such amount; (C) for the 90 fourth and fifth full calendar months, fifty per cent of such amount; 91 and (D) for the sixth full calendar month, twenty-five per cent of such 92 amount. Grants shall be cancelled as of the date the new employee 93 leaves employment with the eligible small business.
- 94 Sec. 5. (NEW) (*Effective from passage*) (a) For purposes of this section:
- 95 (1) "Department" means the Labor Department;
 - (2) "Eligible business" means a business that (A) is a Connecticut-based business, (B) has been registered to conduct business in this state for not less than twelve months, and (C) is in good standing with the payment of all state and local taxes;
 - (3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the

- 110 Internal Revenue Code of 1986, or any subsequent corresponding
- 111 internal revenue code of the United States, as from time to time
- amended, other than paragraph (3) of said Section 267(c);
- 113 (4) "Related person" means (A) a corporation, limited liability 114 company, partnership, association or trust controlled by an eligible 115 small business, (B) an individual, corporation, limited liability 116 company, partnership, association or trust that is in control of an 117 eligible small business, (C) a corporation, limited liability company, 118 partnership, association or trust controlled by an individual, 119 corporation, limited liability company, partnership, association or trust that is in control of an eligible business, or (D) a member of the same 120 121 controlled group as an eligible business;
 - (5) "New employee" means a person who (A) was unemployed prior to employment with an eligible business, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) was a member of the armed forces of any state or of any reserve component of the armed forces of the United States and was called to active service in the armed forces of any state or the United States in support of (i) Operation Enduring Freedom, or (ii) military operations that were authorized by the President of the United States that entail military action against Iraq, and (C) was honorably discharged after not less than ninety days of service in an area designated by the President of the United States by executive order as a combat zone, as indicated on a military discharge document, as defined in section 1-129 of the general statutes, unless separated from service earlier because of a service-corrected disability rated by the Veteran's Administration. "New employee" does not include a person who was employed in this state by a related person during any of the twelve months prior to employment with the eligible business; and
 - (6) "On-the-job training" means training provided by an eligible business on such business' premise.

123

124

125

126

127

128

129

130

131132

133

134

135

136

137

138

139

140

- (b) (1) There is established within the Labor Department an Unemployed Armed Forces Member Subsidized Training and Employment program for eligible businesses. Said program shall provide grants to businesses to subsidize, for the first six months after a new employee is hired, part of the cost of on-the-job training and compensation for such new employee, in accordance with subsection (c) of this section. No business receiving a grant under this section with respect to a new employee may receive a second grant under this section or section 31-3ppof the general statutes, as amended by this act, with respect to the same person.
 - (2) The department may use up to four per cent of any funds allocated pursuant to section 6 of this act, for the purpose of retaining outside consultants to administer the Unemployed Armed Forces Member Subsidized Training and Employment program.
- (c) (1) An eligible business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee hired by such business. The department shall renew and approve such business' description of the proposed on-the-job training as part of the grant application.
 - (2) A grant awarded to an eligible business pursuant to this subsection shall be in the following amount: (A) For the first full calendar month a new employee is employed, one hundred per cent of the wage of such new employee, exclusive of any benefits, not to exceed twenty dollars per hour; (B) for the second and third full calendar months, seventy-five per cent of such amount; (C) for the fourth and fifth full calendar months, fifty per cent of such amount; and (D) for the sixth full calendar month, twenty-five per cent of such amount. A grant shall be cancelled as of the date the new employee leaves employment with the eligible business.
 - (d) Not later than June 30, 2013, and every six months thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing

- committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce, veterans and labor. Said report shall include available data from the previous six months on (1) the number of businesses that participated in the Unemployed Armed Forces Member Subsidized Training and Employment program established pursuant to subsection (c) of this section, and the general categories of such businesses, and (2) the number of individuals that received employment under said program.
 - (e) The Labor Commissioner may adopt regulations in accordance with the provisions of chapter 54 of the general statutes to carry out the provisions of this section.
 - Sec. 6. (*Effective July 1, 2012*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate ten million dollars, provided five million dollars of said authorization shall be effective July 1, 2012.
 - (b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Labor Department for the purpose of Unemployed Armed Forces Member Subsidized Training and Employment program established pursuant to section 5 of this act, provided (1) five million dollars of the amount stated in subsection (a) of this section shall be used in fiscal year 2013 for the program established pursuant to section 5 of this act, and (2) five million dollars of the amount stated in subsection (a) of this section shall be used in fiscal year 2014 for the program established pursuant to section 5 of this act.
 - (c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the

money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.

Sec. 7. (NEW) (Effective October 1, 2012) The Commissioner of Economic and Community Development shall establish and administer a program to promote the marketing of products produced in Connecticut for the purpose of encouraging the development of manufacturing and production in the state. The commissioner may, within available appropriations, provide a grant-in-aid to any person, firm, partnership or corporation engaged in the promotion and marketing of such products, provided the words "CONNECTICUT-MADE" or "CT-Made" are clearly incorporated in such promotional and marketing activities. The commissioner shall (1) provide for the design, plan and implementation of a multiyear, state-wide marketing and advertising campaign, including, but not limited to, television and radio advertisements, promoting the availability of, and advantages of purchasing, Connecticut-made products, (2) establish continuously update a web site connected with such advertising

206

207

208

209

210211

212

213

214

215

216

217

218

219

220

221

222

223

224

225

226

227

228

229

230

231

232

233234

235

236

237

238

campaign that includes, but is not limited to, a comprehensive listing of Connecticut manufacturers, Connecticut-made products, and Connecticut retailers selling Connecticut-made products, (3) direct Connecticut manufacturers and producers of Connecticut-made products in need of assistance to the appropriate economic development entity or state agency, and (4) conduct efforts to promote business relationships interaction and between Connecticut manufacturers and producers of Connecticut-made products and retailers, marketers, chambers of commerce, regional tourism districts and other potential institutional purchasers of Connecticut-made products, including, but not limited to, (A) linking Connecticut manufacturers and producers of Connecticut-made products with potential purchasers through a separate feature of the web site established pursuant to this section, and (B) organizing state-wide or regional events promoting Connecticut manufacturers and producers of Connecticut-made products, where such manufacturers, producers and institutional purchasers are invited to participate. The commissioner shall use his best efforts to solicit cooperation and participation from Connecticut manufacturers, producers Connecticut-made products, retailers, marketers, chambers commerce and regional tourism districts in such advertising, Internetrelated and event planning efforts, including, but not limited to, soliciting private sector matching funds. The commissioner shall administer this program within available appropriations. The commissioner shall report annually to the joint standing committee of the General Assembly having cognizance of matters relating to commerce on issues with respect to efforts undertaken pursuant to the requirements of this section, including, but not limited to, the amount of private matching funds received and expended by the department. The commissioner may adopt, in accordance with chapter 54 of the general statutes, such regulations as he deems necessary to carry out the purposes of this section.

Sec. 8. Subsection (a) of section 46a-60 of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu

240

241

242

243

244

245

246

247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

274 thereof (*Effective October 1, 2012*):

- (a) It shall be a discriminatory practice in violation of this section:
- (1) For an employer, by the employer or the employer's agent, except in the case of a bona fide occupational qualification or need, to refuse to hire or employ or to bar or to discharge from employment any individual or to discriminate against such individual in compensation or in terms, conditions or privileges of employment because of the individual's race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability or physical disability, including, but not limited to, blindness;
 - (2) For any employment agency, except in the case of a bona fide occupational qualification or need, to fail or refuse to classify properly or refer for employment or otherwise to discriminate against any individual because of such individual's race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability or physical disability, including, but not limited to, blindness;
 - (3) For a labor organization, because of the race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability or physical disability, including, but not limited to, blindness of any individual to exclude from full membership rights or to expel from its membership such individual or to discriminate in any way against any of its members or against any employer or any individual employed by an employer, unless such action is based on a bona fide occupational qualification;
 - (4) For any person, employer, labor organization or employment agency to discharge, expel or otherwise discriminate against any

- person because such person has opposed any discriminatory employment practice or because such person has filed a complaint or testified or assisted in any proceeding under section 46a-82, 46a-83 or 46a-84;
 - (5) For any person, whether an employer or an employee or not, to aid, abet, incite, compel or coerce the doing of any act declared to be a discriminatory employment practice or to attempt to do so;
 - (6) For any person, employer, employment agency or labor organization, except in the case of a bona fide occupational qualification or need, to advertise employment opportunities in such a manner as to restrict such employment so as to discriminate against [individuals] any individual because (A) of [their] such individual's race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability or physical disability, including, but not limited to, blindness, or (B) such individual is unemployed;
 - (7) For an employer, by the employer or the employer's agent: (A) To terminate a woman's employment because of her pregnancy; (B) to refuse to grant to that employee a reasonable leave of absence for disability resulting from her pregnancy; (C) to deny to that employee, who is disabled as a result of pregnancy, any compensation to which she is entitled as a result of the accumulation of disability or leave benefits accrued pursuant to plans maintained by the employer; (D) to fail or refuse to reinstate the employee to her original job or to an equivalent position with equivalent pay and accumulated seniority, retirement, fringe benefits and other service credits upon her signifying her intent to return unless, in the case of a private employer, the employer's circumstances have so changed as to make it impossible or unreasonable to do so; (E) to fail or refuse to make a reasonable effort to transfer a pregnant employee to any suitable temporary position which may be available in any case in which an employee

gives written notice of her pregnancy to her employer and the employer or pregnant employee reasonably believes that continued employment in the position held by the pregnant employee may cause injury to the employee or fetus; (F) to fail or refuse to inform the pregnant employee that a transfer pursuant to subparagraph (E) of this subdivision may be appealed under the provisions of this chapter; or (G) to fail or refuse to inform employees of the employer, by any reasonable means, that they must give written notice of their pregnancy in order to be eligible for transfer to a temporary position;

(8) For an employer, by the employer or the employer's agent, for an employment agency, by itself or its agent, or for any labor organization, by itself or its agent, to harass any employee, person seeking employment or member on the basis of sex or gender identity or expression. "Sexual harassment" shall, for the purposes of this section, be defined as any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature when (A) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (B) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (C) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment;

(9) For an employer, by the employer or the employer's agent, for an employment agency, by itself or its agent, or for any labor organization, by itself or its agent, to request or require information from an employee, person seeking employment or member relating to the individual's child-bearing age or plans, pregnancy, function of the individual's reproductive system, use of birth control methods, or the individual's familial responsibilities, unless such information is directly related to a bona fide occupational qualification or need, provided an employer, through a physician may request from an employee any such information which is directly related to workplace

exposure to substances which may cause birth defects or constitute a hazard to an individual's reproductive system or to a fetus if the employer first informs the employee of the hazards involved in exposure to such substances;

(10) For an employer, by the employer or the employer's agent, after informing an employee, pursuant to subdivision (9) of this subsection, of a workplace exposure to substances which may cause birth defects or constitute a hazard to an employee's reproductive system or to a fetus, to fail or refuse, upon the employee's request, to take reasonable measures to protect the employee from the exposure or hazard identified, or to fail or refuse to inform the employee that the measures taken may be the subject of a complaint filed under the provisions of this chapter. Nothing in this subdivision is intended to prohibit an employer from taking reasonable measures to protect an employee from exposure to such substances. For the purpose of this subdivision, "reasonable measures" shall be those measures which are consistent with business necessity and are least disruptive of the terms and conditions of the employee's employment;

(11) For an employer, by the employer or the employer's agent, for an employment agency, by itself or its agent, or for any labor organization, by itself or its agent: (A) To request or require genetic information from an employee, person seeking employment or member, or (B) to discharge, expel or otherwise discriminate against any person on the basis of genetic information. For the purpose of this subdivision, "genetic information" means the information about genes, gene products or inherited characteristics that may derive from an individual or a family member;

(12) (A) For any person or employer to refuse to consider for employment or refuse to offer employment to an individual on the basis that such individual is unemployed, except where such individual's employment in a similar or related job, for a period of time reasonably proximate to the hiring of such individual, is a bona

- fide occupational qualification reasonably necessary to successful performance of the job that is being filled, or (B) for any employment agency to refuse to consider or refer an individual for employment on the basis that such individual is unemployed, except where such individual's employment in a similar or related job, for a period of time reasonably proximate to the hiring of such individual, is a bona fide occupational qualification reasonably necessary to successful
- 409 performance of the job that is being filled.
- 410 Sec. 9. (NEW) (Effective from passage) (a) The Commissioner of 411 Economic and Community Development, in consultation with the 412 Culture and Tourism Advisory Committee, shall develop a program to 413 designate locations in the state with cultural, educational or historical 414 significance as "Connecticut Treasures". Such program shall include a 415 plan to promote locations designated as Connecticut Treasures and 416 shall outline ways existing programs of the Department of Economic 417 and Community Development and Culture and Tourism Advisory 418 Committee may be used to promote such locations.
 - (b) Such program shall be completed on or before October 1, 2012.
- 420 Sec. 10. (NEW) (Effective October 1, 2012) Not later than July 1, 2013, 421 the Department of Education, within available appropriations and in 422 consultation with the Department of Economic and Community 423 Development, shall develop a "Connecticut Treasures" curriculum for 424 use by local and regional boards of education. Such curriculum shall 425 be based on locations in the state designated as Connecticut Treasures 426 pursuant to section 9 of this act, and may incorporate students' visits to 427 such locations.
- Sec. 11. Subsection (a) of section 32-4*l* of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
 - (a) (1) The Department of Economic and Community Development shall establish a first five plus program to encourage business

431

- expansion and job creation. As part of said program, the department may provide substantial financial assistance to up to ten eligible business development projects in the fiscal year ending June 30, 2012, and up to five eligible business development projects in the fiscal year ending June 30, 2013.
 - (2) A business development project eligible for financial assistance under the first five plus program shall commit, in the manner prescribed by the Commissioner of Economic and Community Development, to (A) create not less than two hundred new jobs within twenty-four months from the date such application is approved; or (B) invest not less than twenty-five million dollars and create not less than two hundred new jobs within five years from the date such application is approved.
 - (3) The Commissioner of Economic and Community Development may give preference to a business development project that (A) involves the relocation of an out-of-state or international manufacturer or corporate headquarters, (B) involves the relocation of jobs that were outside the United States to Connecticut, or [(B)] (C) is a redevelopment project if the commissioner believes such redevelopment project will create jobs sooner than the schedule set forth in subdivision (2) of this subsection.
 - (4) The Commissioner of Economic and Community Development may, in awarding financial assistance to an eligible business development project, work with the Connecticut Development Authority and Connecticut Innovations, Incorporated, to secure financing for such project.
 - (5) The Commissioner of Economic and Community Development shall certify to the Governor for his or her approval that a business development project applicant has satisfied all the eligibility criteria in the program. Financial assistance awarded through the first five plus program shall be with the written consent of the Governor.

This act shall take effect as follows and shall amend the following		
sections:		
Section 1	July 1, 2012	32-7g(a)
Sec. 2	July 1, 2012	32-7g(d)(2)
Sec. 3	July 1, 2012	31-3pp(a)
Sec. 4	July 1, 2012	31-3pp(c)
Sec. 5	from passage	New section
Sec. 6	July 1, 2012	New section
Sec. 7	October 1, 2012	New section
Sec. 8	October 1, 2012	46a-60(a)
Sec. 9	from passage	New section
Sec. 10	October 1, 2012	New section
Sec. 11	from passage	32-41(a)

Statement of Purpose:

To expand certain state programs to continue to grow Connecticut jobs.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. WILLIAMS, 29th Dist.; SEN. LOONEY, 11th Dist.

S.B. 1